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JUL 06 1998

In the Matter of:

US Speciality Insurance Company

No. D 98-33

Consent Order Levying a Fine Property / Casualty
Rates & Contracts**BACKGROUND**

RCW 48.05.380, RCW 48.05.390, and WAC 284-07-010 require insurers which are authorized to write property and casualty insurance in Washington State to file special liability reports with the Office of the Insurance Commissioner (OIC) no later than May 1 of each year.

US Speciality Insurance Company has failed to comply with this requirement for its calendar year 1997 report, due on May 1, 1998. On May 8, the OIC wrote the company a letter warning it would be subjected to a \$2,500 fine if it failed to submit the report by June 1.

Under RCW 48.05.140, the OIC may revoke or suspend a company's certificate of authority for violation of the insurance code. The OIC has decided, under RCW 48.05.185, to impose a fine of \$2,500 in lieu of a revocation or suspension.

CONSENT TO ORDER

US Speciality Insurance Company hereby consents to this order and to the imposition of a fine of two thousand five hundred dollars, in lieu of further proceedings in this matter. This fine will be paid in full within thirty days of the entry of this order, and the overdue report which is the subject of this order will be submitted to the Insurance Commissioner within the same period of time. Failure to pay the fine or to submit the overdue report within the allotted time shall constitute grounds for suspension or revocation of the insurer's certificate of authority, and for the recovery of the fine in a civil action brought on behalf of the Insurance Commissioner by the Attorney General of the State of Washington. Failure to comply with any other requirements of the order will itself be further grounds for additional action against the insurer's certificate of authority.

EXECUTED this 2 day of July, 1998.



Title: Vice President

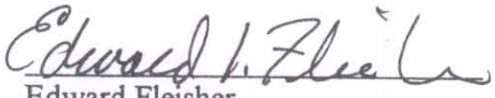
Tina R. Sewald

ORDER

Pursuant to RCW 48.05.185, the Insurance Commissioner hereby imposes a fine of two thousand five hundred dollars upon US Speciality Insurance Company. The fine must be paid in full

within thirty days of the date of entry of this order. The overdue report which is the subject of this order shall be submitted to the Insurance Commissioner within the same period of time. Failure to pay the fine timely and in full, or failure to submit the report which is the subject of this order, within the same period of time, shall constitute grounds for the suspension or revocation of the insurer's certificate of authority. Failure to timely pay the fine in full shall also result in a civil action brought on behalf of the Insurance Commissioner, by the Attorney General of the State of Washington.

ENTERED AT OLYMPIA, WASHINGTON, this 7th day of July 1998.


Edward Fleisher
Deputy Commissioner Legal Affairs

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